

**Office of Inspector General  
U.S. Department of State  
U.S. Arms Control and Disarmament Agency  
U.S. Information Agency, including  
Broadcasting Board of Governors**

# **Reports and Testimony**

## **August 1998**

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This report describes testimony provided by the Inspector General or other OIG officials and lists OIG reports issued during the period indicated. This report includes unclassified summaries of classified reports; all text in this report is unclassified. Classified reports are not distributed publicly. On occasion OIG distributes an unclassified version of a classified report; in such a case, this listing also indicates the issue date of the original report. In addition, all major reports, together with OIG investigative activities, are summarized in the Inspector General's semiannual reports to the Congress, which are publicly available every June and December.

## Reports Issued by the Office of Audits

### **Expenditure of Machine Readable Visa Fees** (98-FM-018)

The Office of Inspector General, Office of Audits, performed an audit of the Department's expenditure of machine readable non-immigrant visa (MRV) fees charged foreigners to enter the United States and used for consular and border security purposes as part of the Inspector General's continuing responsibility to assist management through independent reviews of Department operations. The objectives were to determine (1) whether expenditures complied with existing authorizing legislation, (2) whether the legislation should be amended to permit MRV fee expenditures for other purposes or to restrict its uses, and (3) how the Department determines the allocation of MRV fees to bureaus and offices.

Although the MRV expenditure program is well managed by the Bureau of Consular Affairs (CA) and the Bureau of Finance and Management Policy, several improvements could be made to ensure future success of the MRV fee expenditure program. As a result, OIG recommended that CA (1) seek permanent legislative authority from the Congress to retain MRV collections, (2) formally designate, in conjunction with M/DGP, the MRV coordinator's position as separate from other duties in the CA bureau, (3) prepare and disseminate written guidance to bureaus and offices indicating how to apply for MRV fees and the Department's priorities for funding its goals, and (4) develop written operating procedures for the MRV program to include documentation of the basis for allocating MRV fees. CA, in commenting on the draft report, agreed with all four recommendations and has taken action or plans to take action to implement all OIG recommendations. As a result, OIG closed one recommendation and the three remaining recommendations remain open, but resolved.

### **Consular Agent Program** (98-CI-13)

Consular agents, who have been a part of the State Department system for over 150 years, are part-time Foreign Service employees authorized to provide limited consular and other related services at specified locations abroad where there is no Foreign Service post. The primary function of consular agents is to provide American citizen services. The objective of the audit was to evaluate how well the Department of State manages the consular agent program and to identify areas susceptible to fraud and malfeasance.

Consular agencies provide several important benefits. The agencies (1) are a low-cost alternative for providing consular services particularly to U.S. citizens overseas, (2) enable posts to provide more timely services to U.S. citizens, (3) allow for more efficient use of post personnel and travel resources, and (4) are more flexible than establishing and operating an embassy or consulate. Our review, however, disclosed several weaknesses that detract from the program,

including (1) insufficient program oversight, (2) a lack of program guidance, (3) a lack of ~~strategic planning to optimize resources~~ global analysis to determine the need for consular agencies, and (4) a failure to ~~obtain~~ seek reimbursement from other U.S. government agencies using consular agency services. Also, consular agent personnel issues OIG identified include (1) inadequate performance standards and evaluations, (2) inaccurate compensation to some agents, and (3) the absence of formal training. Based on OIG analysis and discussions with officials at posts, CA, and several geographic bureaus, ~~the primary one important~~ cause underlying the program weaknesses is the absence of a management focal point. Because program management is decentralized among the bureaus, addressing systemic problems is cumbersome and difficult. A management focal point would ~~not fix all systemic problems, but would~~ address, and give appropriate priority to, those relating to decentralization. The OIG recommended establishment of a management focal point to address the weaknesses identified in the program.

## Reports Issued by the Office of Inspections<sup>1</sup>

### Embassy Maseru, Kingdom of Lesotho (ISP/I-98-30)

The U.S. has never had vital economic or security interests in Lesotho. With the advent of a democratic, nonracial government in South Africa, the symbolic and practical value of Lesotho sharply declined. The rationale for a U.S. presence is now keyed to support for democratization, encouragement of economic reform efforts, and fostering of regional integration and peacekeeping efforts.

An experienced, activist Ambassador has parlayed his personal credibility with the Lesotho elite, his role as Dean of the Diplomatic Corps, his negotiating skills, and his access to certain assistance funds into a crucial role as mediator and force for positive change. He has done this within established policy parameters, but with little guidance and feedback from Washington beyond reiteration of policy support for the principle of universality of diplomatic representation. Morale at post is strikingly high, especially considering the prevalence of violent crime, the dearth of amenities, and the frequent protracted failure of the post's telecommunications system.

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<sup>1</sup> Inspections carried out by the Office of Inspections comprehensively review the operations and overall management of a given post, mission, bureau, or office of the Department of State, Arms Control and Disarmament Agency, U.S. Information Agency, or the Broadcasting Board of Governors, without attempting to evaluate in-depth any particular function or program. Their main purpose is to bring important issues and management deficiencies to the attention of senior management together with recommendations for corrective action, although they also include self-evaluation and self-correction through counseling.

What is lacking is a rigorous assessment of the costs and benefits of maintaining a U.S. embassy in Maseru. Such an effort, strongly implied in the previous inspection report, is long overdue. In the meantime, there has been a steady dribbling away of U.S. resources without any conceptual framework for the reductions. The Department should accordingly complete, prior to the end of FY 1998, a comprehensive analysis of the costs and benefits of maintaining an embassy in Maseru, versus pursuing U.S. interests through other modalities.

**Embassy Ankara, Turkey, Constituent Posts, and the U.S. Information Service Turkey (ISP/I-98-31)**

The avoidance of renewed conflict between Turkey and Greece remains a goal for Embassy Ankara, but it is no longer the overarching goal. Momentous developments, including the upsurge of Islamic fundamentalism in the region and the confirmation of gigantic oil and gas finds in the Caspian basin and Central Asia, have made other goals equally important. After a fundamental reassessment of the relationship, the highest levels of both governments agreed in 1997 to a detailed agenda for bilateral cooperation. This enables the new chief of mission, who participated in the reformulation of policy before arriving in Ankara, to have clear and public objectives. He and his experienced deputy make a strong team. With 18 agencies and many U.S. military units in the country, the U.S. mission faces a major challenge of coordination, which it is meeting successfully. In 1997, the former chief of mission and the commander-in-chief Europe reached agreement on a memorandum of understanding on military security and force protection. It was based on a pragmatic principle which has become known as the "Ankara solution" and which is now accepted in other force protection negotiations. In a fragile democracy where human rights violations occur, USIS Turkey through its offices in Ankara and Istanbul supports efforts to promote democracy by working with non-governmental organizations. An outstanding administrative counselor and his impressive staff have enhanced the mission's ability to perform its responsibilities, although problems exist with the telephone system, travel policies, information management, and housing. In the mission's three consular sections, morale ranges from poor to good. In Ankara, the move into a new building has been temporarily unsettling. In Istanbul, urban woes, an obsolete building, extensive construction, a heavy load of visitors, and personnel shortages have had a negative effect, although the Consulate General well represents the United States and has done good reporting on banking, commerce, and politics from the country's largest city. Consulate Adana is united under a dynamic new principal officer. Its contributions to promoting the rights of the long-suppressed Kurdish minority population reinforce the decision in 1993, based on budgetary constraints, to keep it open and instead close the consulate in Izmir.

**Embassy Damascus, Syria, and the U.S. Information Service, Syria (ISP/I-98-34)**

The impasse in the Middle East Peace Process has brought a concomitant stalemate in the U.S.-Syrian relationship, with little or no prospect of significant progress on arms control, terrorism, and other issues on the U.S. agenda. The sanctions regime applying to Syria as a state sponsor of terrorism further limits areas for cooperation. No longer a focus of high-level shuttle diplomacy, the embassy should continue to readjust its efforts and resources to this reality,

recognizing the central importance of preserving dialogue with Syria if there is to be a Middle East peace settlement.

Key Issues Identified:

- USIS Syria should restructure its organization, eliminating two of four American positions. The embassy and USIS also need to establish a more integrated approach to public diplomacy.
- The consular section provides excellent service to the public. Lebanese visa applicants constitute 30-50 percent of the workload. The section now needs to focus on broader issues such as endemic fraud, staffing imbalances, cramped space, and inadequate telephone service.
- The Department and embassy need to address several real property issues, including sale of a property purchased 40 years ago as a possible chancery site and firming up plans for the best use of a newly acquired building.

**Embassy Luxembourg, Luxembourg (ISP/I-98-36)**

Luxembourg's membership in NATO and the EU makes necessary the maintenance of a U.S. mission in this small country. Luxembourgers are predisposed toward the United States, but their cooperation cannot be taken for granted. The Ambassador has devoted much of his and the mission's time and efforts to ensuring that it is not. A decision about future American staffing depends greatly on the background, interests, and management style of the next chief of mission. The Office of Inspector General (OIG) agreed with four of the embassy's goals-increasing Luxembourg cooperation with the United States in pursuing common interests in the EU, promoting American business, enhancing the defense relationship, and protecting American citizens. While agreeing that cooperation in combating crime and terrorism and the last goal is important, OIG has less of a sense that these scourges are as significant in Luxembourg as in some other European countries. The most important contribution of many the Ambassador has made was his intense push for support for the embassy during Luxembourg's EU presidency in the last half of 1997. He also contributed to the much lauded performance of the embassy by making good use of his close relationships with the leaders of the Luxembourg Government. The inexperience of the front office in managing an embassy has led to a highly personalized and

alternately effective or inefficient way of running the mission. The deputy chief of mission has grown into a job for which he was not formally trained. Consular operations could be improved through the provision of more information to clientele. A review of staffing and hours of operation should be undertaken. The administrative section is functioning well, although attention should be given to improving management controls for telephone services and property inventories.

## **Reports Issued by the Office of Security and Intelligence Oversight<sup>2</sup>**

### **Review of Time and Attendance for Secretary of State Detail (SIO/A-98-36)**

OIG conducted an audit to evaluate the effectiveness of protective security provided to the Secretary of State. The principal focus of the audit was the Secretary's Detail within the Bureau of Diplomatic Security.

### **Followup Review of Embassy US Interest Section of Havana, Cuba (SIO/C-98-37)**

Overall action by the U.S. Interests Section, Havana, and the Department in complying within the recommendations from the 1996 security oversight inspection report was excellent. The resulting improvements, in concert with the security enhancements of the total renovation of the chancery, the continued strong security leadership of the principal officer, and the highly professional skills of the regional security officer, have together built a sound and well managed security program.

### **Embassy Kingston, Jamaica (SIO/I-98-38)**

Embassy Kingston is doing an excellent job of managing its most serious security threat - crime. The per capita murder rate of Kingston is the highest in the western hemisphere; over five times that of the United States. Yet, mission personnel are for the most part insulated from this violence, largely because of the embassy's excellent security briefing program, close monitoring of areas of high criminal activity, and good residential security that includes both static guards and mobile patrols.

The other key areas that came out of this inspection are not security deficiencies, but rather areas where cost savings can be realized. These involve the embassy's Marine Security guard detachment and the local guard program.

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<sup>2</sup> Inspections undertaken by the Office of Security and Intelligence Oversight (SIO) evaluate the formulation, dissemination, and applicability of security standards set in Washington and their implementation at all U.S. diplomatic posts abroad. The SIO inspections assess the ability of each post to respond to threats from terrorism, mob, or other physical intrusion, hostile intelligence activities, and crime, and recommend specific corrective actions to eliminate or reduce the security vulnerabilities identified. Because they discuss specific security problems at the inspected posts, the reports are classified and are distributed on a strict need-to-know basis.

**Followup Review of Embassy Seoul, Korea (SIO/C-98-39)**

Embassy Seoul's overall security posture has improved substantially since the 1996 security oversight inspection. Overall action by both the Embassy and the Department in complying with the recommendations from the inspection report was excellent.

**Followup Review of Embassy Mexico & Constituent Posts (SIO/C-98-41)**

Overall action by Embassy Mexico City and the Department in complying with the original 1995 inspection report's recommendation was moderate. Many recommendations were closed, but some issues identified in 1995 still exist in 1998.